

*Thursday* ~~Friday~~ **Synergies Committee Meeting #1104**  
**Friday, March 3, 2011 2:00 PM**  
**Third Floor Meeting Room, Winchester Hall**

**Agenda**

- I. Introductions
- II. Approval of Minutes
- III. Review of Purchasing Functions
- IV. Establish Future Topics for Presentation
- V. Closing Discussions/Comments
- VI. Next Meeting
- VII. Adjourn

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**Synergies Committee Meeting #1104  
Thursday, March 3, 2011  
Third Floor Meeting Room – Winchester Hall**

Commissioner C. Paul Smith, *Vice President*, called to order a meeting of the Synergies Committee for Thursday, March 3, 2011, at 2:00 p.m. Also present were Kirby Delauter, County Commissioner; David Dunn, Office of the County Manager; Karen Young, Alderman and Katie Barkdoll, City of Frederick (City); Doug Browning, Frederick Community College (FCC); and Jimmy Reeder, Frederick County Board of Education.

The minutes from Friday, February 18, 2011, and Friday, February 25, 2011, passed by unanimous consent.

Hal Good, Finance Division; Kandy Fullerton, City; Bob Gill, FCC; Steve Starmer, Frederick County Public Schools, presented a breakdown of their entities purchasing departments, policies, procedures, volume of work flow and how each entity could work together to provide better service at a lower cost. The committee requested an update within 60 days.

The next meeting is scheduled for Friday, March 11, 2011, at 1:00 p.m., to review Insurance and other benefits.

The meeting adjourned at 3:05 p.m.



Mary Baker  
Recording Secretary

# **SYNERGY COMMITTEE**

**March 3, 2011**

## **Purchasing (Procurement) Operations**

- I. Review Current Operations, Resources & Statistics
  - a. Frederick City      Kandi Fullerton, Purchasing Manager
  - b. FCC      Bob Gill, Purchasing Director
  - c. FCPS      Stephen Starmer, Purchasing Manager
  - d. Frederick County      Hal Good, Purchasing Director
  
- II. Discussion of Circumstances Unique to Each Jurisdiction
  - a. Services/Functions
  - b. User Agency/Department Requirements
  - c. Information Distribution -- Web/Online Services
  - d. Distribution Systems
  - e. Other
  
- III. Potential Areas for Savings / Efficiencies
  - a. Information Exchange
    - Electronic Meetings
  - b. Increased Cooperation on Purchases
  - c. Pooled information
  - d. Vendor outreach programs



## **FREDERICK COUNTY GOVERNMENT PURCHASING PROGRAM**

### **PROCURE GOODS AND SERVICES INCLUDING CONSTRUCTION**

Includes procuring all supplies, materials, equipment and services required by all County Divisions and agencies. Procurement processes include quoting, bidding, requests for proposals, multi-step procurements, pre-qualification processes, cooperative purchasing and procurement card purchases. Current annual volume exceeds \$200 million (combined)

### **VENDOR REGISTRATION/VENDOR MANAGEMENT/VENDOR OUTREACH**

Currently more than 5,000 active vendors are signed up to participate in County competitive processes. The vendor file can be searched by use of the NIGP class-items codes for specific product or service category. Vendors are notified of opportunities by email and are able to download the bid or rfp documents from the county website. Addenda are distributed electronically. eMarylandMarketplace is also utilized for electronic bid notifications. It is utilized when there is insufficient local competition or when mandated by state or federal grant advertising requirements. Vendor outreach programs are conducted by participation in chamber events, trade shows internet outreach and use of social networks.

### **INFORMATION MANAGEMENT – INTRANET/INTERNET**

Administration of purchasing functions on PeopleSoft is very time consuming due to the fact that the 8.4 version as implemented is not user friendly. Additionally it does not address most of the desired and increasingly required functionality of a public purchasing software system. Supplementary systems operating in an intranet and internet web-based environment have been adopted and implemented to make up for the deficiencies. However these systems do not integrate with PeopleSoft resulting in double data entry and delayed updating of information.

Much of the purchasing transaction process now takes place on the internet. In the past year there have been approximately 325,000 "hits" on purchasing web pages.

### **ORGANIZATION/RFP SUPPORT**

All requests for proposal processes are advertised and managed through purchasing. Currently the level and degree of management possible is sometimes minimal due to staffing challenges. In an ideal environment, purchasing would moderate and supervise all RFP processes and interviews. That currently occurs for the more complex processes or those with the highest profiles or highest dollar values.

### **FEDERAL AND STATE GRANT FUND RELATED COMPLIANCE SUPPORT INCLUDING ARRA**

Eligibility for grant funding typically carries with it very specific and inflexible requirements involving the solicitation/procurement/award processes. Projects such as ARRA funded projects also carry with them specific timelines to gain and maintain eligibility. These projects typically become priorities for purchasing staff support. They require significant support. Examples are the current Visitor Center Project and the Transit Parking Lot.

#### EMPLOYEE TRAINING/CERTIFICATION

Certification requirements pertain to most of the professional staff in purchasing. Seven out of eight are currently credentialed. The relevant certifications carry continuing education requirement which involve both time and expense such as registrations and travel.

#### PROCUREMENT CARD (P-Cards)

**PROGRAM DESCRIPTION:** The procurement card program is now in its seventh year. There are currently 353 card holders. Annual expenditures are approximately \$ six million. Procurement cards are used for small transactions for which the traditional process of utilizing a purchase order is either too expensive in comparison or the merchant will not accept a purchase order. Most retailers in today's world will not accept purchase orders. The Procurement Card Administrator actively monitors the use of the cards and performs the training. The County is protected from the fraudulent use of its procurement cards from dollar one as long as the requiring training and monitoring program is in effect.

#### CONTRACT ADMINISTRATION SUPPORT

Although responsibility for contract administration, is typically assigned to project managers and other user department personnel, purchasing is frequently asked to intervene in contract disputes. As the originator of the contracts purchasing role in contract administration exists whether the responsibility for that is a solid line or a dotted line so to speak.

#### CONTRACT RECORDS/RENEWAL DATABASE

Purchasing is the repository and keeper of contracts for goods and services. Purchasing also maintains records of solicitation and award processes. Notifications of contract renewals and related documents are developed and administered by purchasing.

#### SURPLUS PROGRAM

The purchasing regulations delegate responsibility for disposition of surplus property to the purchasing director. This may include trade-ins, disposing by competitive auction, or other lawful means including scraping when appropriate.

#### TRAVEL POLICY

The travel policy is currently attached to the purchasing rules. This is not typically a role for procurement departments. When travel is paid by procurement card it comes under review by the procurement card administrator. Accounts payable and payroll also have roles in the travel review process.

#### SERVE ON COUNTYWIDE COMMITTEES AND TASKFORCES

The director of purchasing is responsible for chairing the Consultant Selection Committee and the Consultant Responsibility Committee. Purchasing also participates in the Sustainability Committee, Energy Committee and other ad hoc committees and task forces. Purchasing also plays key roles in disaster preparedness processes.

#### BOCC REPORTS

Bid awards and contract approvals for goods and services are routed through purchasing to the county manager and the BOCC. The approval process and the preparation and editing of BOCC awards plus the presentations to the BOCC are important roles of the Purchasing director.

**FY10 Procurement Information**

|                                 |        |
|---------------------------------|--------|
| Total Number of Purchase Orders | 12,166 |
| Formal Bids RFP PB              | 204    |

|                                   |                  |
|-----------------------------------|------------------|
| Volume Purchase - Purchase Orders | \$244,532,934.93 |
|-----------------------------------|------------------|

|                    |             |
|--------------------|-------------|
| P-Card Information | \$6,000,000 |
|--------------------|-------------|

We are now in our seventh year with the Procurement Card Program. There are currently 353 cardholders with approximately six million dollars spent annually.

## Purchasing Staff Directory

12 East Church Street

Winchester Hall

Frederick, MD 21701

Phone: 301-600-1067

Fax: 301-600-2521

[Comments to Purchasing](#)

Link: [PURCHASING DEPARTMENT](#)

| Staff  |  |                                |              |
|--|--|--------------------------------|--------------|
| Name   | Title                                  | Email                          | Phone        |
| <a href="#">Conrad, CPPB, Tammy</a>          | Procurement Analyst III                | <a href="#">Tammy Conrad</a>   | 301-600-6752 |
| <a href="#">Good, CPPO, Hal</a>              | Director                               | <a href="#">Hal Good</a>       | 301-600-1047 |
| <a href="#">Greco, CPPO, CPPB, Patricia</a>  | Procurement Analyst III                | <a href="#">Pat Greco</a>      | 301-600-6751 |
| <a href="#">Guise, CPPB, Patricia</a>        | Procurement Analyst III                | <a href="#">Pat Guise</a>      | 301-600-1044 |
| <a href="#">Hobbs, Debbie</a>                | Office Manager                         | <a href="#">Debbie Hobbs</a>   | 301-600-1089 |
| <a href="#">Hoffman, Nicole</a>              | Acting Administrative Specialist       | <a href="#">Nicole Hoffman</a> | 301-600-1067 |
| <a href="#">Jacobs, CPPB, Sylvia</a>         | Procurement Analyst III                | <a href="#">Sylvia Jacobs</a>  | 301-600-6804 |
| <a href="#">Johnson, CPPO, C.P.M., Bruce</a> | Procurement Manager - Capital Projects | <a href="#">Bruce Johnson</a>  | 301-600-6706 |
| <a href="#">Kepp, P.E., Tim</a>              | Procurement Manager - Capital Projects | <a href="#">Tim Kepp</a>       | 301-600-6702 |
| <a href="#">Kundrat, Lynda</a>               | Procurement Card Administrator         | <a href="#">Lynda Kundrat</a>  | 301-600-1002 |



Randy McClement  
Mayor



Aldermen  
Karen Lewis Young  
President Pro Tem

Michael C. O'Connor  
Shelley M. Aloï  
Carol L. Krimm  
Kelly M. Russell

## PURCHASING OPERATIONS

### Governed by Home Rule

The City of Frederick Procurement Department is governed by "Home Rule" COF Purchasing Policies and Procedures adopted by the Mayor and Board of Alderman October 4, 2001 (supersedes regulation dated 1/20/94)

In accordance with the City's Purchasing Policies and Procedures all procurement that is anticipated to exceed \$29,999.99 is competitively bid. The exceptions are single or sole source procurements which must be justified and documented. The City also utilizes intergovernmental cooperative purchasing and consortium opportunities when it most cost effective for the City, these contracts must have been competitively bid, must allow for use by other government entities and be current contracts.

Below are examples of contracts that purchasing either co-ops with other government entities or in some instances the entities my co-op with the City.

|                     |                                  |                                  |
|---------------------|----------------------------------|----------------------------------|
| Recycling Services  | Frederick Area Coop- Electricity | Architect & Engineering Services |
| Mobile Radio Equip  | Computer Equipment               | Telephone Service /Installation  |
| Office Supplies     | Fleet Fueling System             | Curb and Gutter                  |
| Permanente Patch    | Bulk Road Salt                   | Cell Phone/Services              |
| Copies /Maintenance | Document Shredding               | On-Call Sewer Rehab              |
| Sludge Hauling      |                                  |                                  |

### Minority Business Enterprise (MBE) and Local Preference Policy

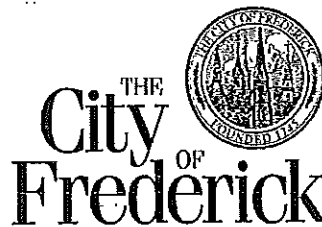
Disadvantaged Business Enterprise Program adopted January 20, 1994 by the City of Frederick Mayor and Board of Alderman. Purchasing maintains an active City Registered Minority Vendor Data Base. There are currently 39 registered vendors.

Local Preference Policy, Resolution No.09-7 adopted April 2, 2009 by the City of Frederick Mayor and Board of Alderman

### Purchasing Staff Functions

#### Purchasing Manager-1

The Purchasing Manager assists with the development and facilitates all aspects of City Procurement, inclusive of processing of purchase orders, request for quotations and formal solicitations (ITB's, RFP's, RFQ's, RFEI's) for all City Departments. The Purchasing Manager



facilitates the disbursement of all City Surplus. The Purchasing Manager directly supervises the Buyer 1, Accounts Payable, Warehouse Facilities and Mail Facilities. The Purchasing Manager is responsible for managing and updating the City Purchasing Web Site.

Buyer -1

This position is immediate back-up for the Manager, issues purchase order under the formal solicitation amount, coordinates and manages request for quotations with user departments, manages warehouse ordering and bidding. Back-up for all Central Supply functions.

Administrative Assistant-1

This position Supports the Manager and Buyer, administers fuel card system, and city cell phone assists in training and bid administration. Back-up for all Central Supply functions.

FY 2010 the City issued 8,000 purchase orders equivalent to \$40 million dollars in expenditures.

**Total Formal Solicitations FY 2010**

ITB's- 15  
RFP's- 14  
FY ITB's- 9  
RFQ'S- 10

Purchasing maintains an active vender data base that is utilized by all city departments. There are currently 13,921 vendors registered with the City.

**Current Procurement Memberships, MOU's, Interlock Contracts, Cooperative Purchasing Agreements:**

- ◆ NIGP
- ◆ MPPA
- ◆ FREDERICK AREA COOPERATIVE PURCHASING COMMITTEE- Electric COPP
- ◆ METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
- ◆ BRCPC- Baltimore Regional Cooperative Purchasing Committee
- ◆ eMaryland Market Place
- ◆ H-GAC Cooperative Program
- ◆ UNICOR- National Correctional Industries Association
- ◆ WSCA-Western States Contracting Alliance
- ◆ NASPO- National Association of State Procurement Officials



# Frederick Community College

## Procurement

The FCC Procurement Office is a professional department within the College that serves and supports the educational mission of Frederick Community College. The department is responsible for serving the College community by acquiring quality goods and services at the right price, at the right time, from the right source, while ensuring compliance with the laws, regulations and College policy.

We strive to represent the College to the business community in the best possible light, to promote fair and open competition to the fullest practicable extent, and maintain the highest level of professionalism, ethics, and integrity. We are committed to ensuring equal procurement opportunity and encourage all vendors to participate in our solicitations.

The Purchasing department consists of one (1) Director and one (1) Assistant. The department is involved in the acquisition of a wide range of commodities from simple office supplies to more complex Capital Improvement Projects and utilizes a variety of purchasing methods depending on the circumstance of the purchase, such as the dollar value, type, and sources. In FY 2011 the College has currently issued 9 formal RFP/RFBs and 12 RFQ's. In FY 2010 the college did approximately 3000 purchasing transactions representing approximately \$6 million of operating expenses which did not include capital improvement projects.

In order to maximize the College's purchasing power we actively pursue and utilize intergovernmental cooperative purchasing and consortium opportunities to promote efficiency and savings wherever practical. Some of these sources are as follows:

- Maryland Association of Community Colleges Purchasing Officers
- Maryland Education Enterprise Consortium
- National Association of Educational Procurement
- Educational & Institutional Cooperative Purchasing
- Maryland Public Purchasing Association
- Metropolitan Washington Council of Governments
- National Institute of Governmental Purchasing
- General Services Administration
- Baltimore Regional Cooperative Purchasing Committee
- U.S. Communities
- Frederick County
- Frederick County Board of Education
- Frederick Area Cooperative Purchasing Committee – Electric COPP

Frederick Community College may also purchase from contracts generated by Maryland State or local government agencies and Washington Metropolitan area Government Agencies. These contracts must have been awarded as a result of a competitive process, must allow for use by the college, and must have terms and conditions acceptable to the College.

Purchasing Office  
191 South East Street  
Frederick, Maryland 21701  
301-644-5208 phone  
301-644-5213 fax



## PURCHASING OPERATIONS

- **Governed by State and Federal Statutory Purchasing requirements.**

- FCPS has the fiduciary responsibility to comply with the COMAR/Annotated Code Title 13 for all procurement activities.
  - Further, FCPS has established Purchasing Regulation #200-7, which defines how those activities will be accomplished.
- By regulation, FCPS competitively bids all procurements exceeding \$25,000. The exceptions are single or source procurements along with documentation. This constitutes about 70 bids per year along with an additional 30 renewals.
- Approx 30% of our contracts are synergetic. Below are examples of contracts that FCPS either co-ops with others like the State, County, and Local governments, or in many cases they may co-op with us.

External Audit Services  
Bituminous Concrete (asphalt)  
Fleet Management  
Floor care  
Science Equipment Supplies  
Computer Cable & Wiring  
Maintenance Repair, Operating items  
Health Care services

Frederick Area Coop – Electricity  
Vehicle parts & supplies  
Unit Price Contracts for concrete  
Food/ice cream  
Unit Price Contracts Building modifications  
Mobile Radio Equip  
Art Supplies  
Motor Oil, lubricants

Architect & Engineering  
Recycling Service  
Printing requirements  
EAP  
Computers, laptops, hardware  
Paper  
Play Structures  
Band Uniforms

- **Current Procurement Memberships, MOU's, Interlock Contracts, Cooperative Purchasing Agreements:**

- ASBO- Association of School Business Officials
- COG- Council of Government (Washington Area)
- US Communities Alliance
- County of Fairfax Consortium
- Procurement Card Regional Forum
- DGS- State of Maryland General Service
- PEPPM- Pennsylvania Education Purchasing Program for Microcomputers
- MEEC-Maryland Educational Enterprise Consortium
- DBM – Dept of Budget & Management
- MPPA
- Frederick Cooperative Purchasing Committee- Electric COPP
- BRCPC- Baltimore Regional Cooperative Purchasing Committee
- eMaryland Market Place
- WSCA-Western States Contracting Alliance



Frederick County Public Schools  
*Reach. Challenge. Prepare.*

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- **Minority Business Enterprise (MBE) requirements for Maryland State Department of Education (MSDE).**
  - Maintained when State Public School Construction Program funds are used
  - The programs' objective requires all race neutral measures to be considered
  - Procurement Review Group (PRG) establishes goals for each individual State funded project.
  - FCPS attends State wide Local Educational Agency (LEA) meetings for revisions and regulations updates
  - The MBE activities require detailed coordination with finance/construction/contractors. Lack of detail can result in reallocation of State funds from FCPS.
- **Contract administration and Staff Functions**
  - 1 Purchasing Manager, 1 Secretary
    - The Purchasing Manager directs the strategic procurement initiatives regarding policy, and oversees the tactical issues within the school system and administers a limited number of high profile bids. The Secretary supports these activities as well as assists in training and bid administration.
  - Assistant Purchasing Manager, 3 Buyer Specialists
    - This position assists the PM as supervisor regarding tactical issues, as well as administers the majority of construction and facilities' projects.
    - The buyer specialists are assigned specific bids throughout the year and coordinate and manage them closely with project managers and vendors. They also approve Purchase Orders within their given responsibly.
  - 4 Administrative Assistants, 1 Receptionist
    - These are the support people who coordinate the bid documentation and scheduling of all bids and meetings between FCPS resources and vendor contacts. They maintain all bid binders and document retention.
  - 1 Vendor Maintenance administrator.
    - Supports and updates 5300 vendors, bidders and Finance vendors in the system. This includes maintaining vendors' classification, Federal requirements like W9's, vendor applications and MBE data.
  - 1 PO Administrator/P-card Assistant
    - Inputs all PO's and change orders. Maintains an electronic file of PO's and attachments. Coordinates email addresses with vendors. Sends PO's out via USPS, fax and email. Assists in all p-card administration.
  - FCPS Purchase Orders for FY 2010 totaled \$140 million.
  - In FY 2010 FCPS issued 14,100 Purchase Orders and 1,800 Change Orders
  - We maintain a data base of 5,300 vendors to satisfy the schools systems' requirements.
  - Our Procurement card program expenditures in FY 2010 were \$2.6 million which enabled us to receive a \$32,000 rebate check in February of 2011.
  - Our card holders executed 20,000 transactions, averaging \$130 each.
  - As a result of our Banking Services bid we will have a new P-card provider, JP Morgan. This relationship is a Co-op with the Fairfax, Va. consortium that will enable us a higher rebate of 1.34 vs. .77.
  - The new provider will also give us audit control improvement
  - It will also provide a Single Use Accounts program that will enable us to pay invoices through JP Morgan and include those expenses in a rebate program.

**Purchasing  
Synergy Report  
4/29/2011**

**Synergy:**

- synergy - A combined action of working together, through structured development among entities and disciplines, to achieve a mutually beneficial goal.

**In Process:**

- Establish Procurement Synergy group – Procurement Managers.
- Communications link email among buyers – use as resource.
- Regular meetings between agencies and with other disciplines when appropriate to create leverage and establish additional opportunities for Synergy – facilities, warehouse, IT, construction, and food service.
- Identify unique aspects and share best practices.
- Review websites for improvements and make more user friendly.
- Provide links between agency websites to promote better vendor awareness and opportunities.
- Assure that rider clauses are included in bids to allow all entities to utilize each others contracts.
- Establish dialog with other similar agencies around the state to discuss synergy opportunities that will create leverage.

**Specifics:**

- |                                 |                            |                      |
|---------------------------------|----------------------------|----------------------|
| • Hazardous waste removal:      | facilities                 | (all)                |
| • Ice melt:                     | facilities and maintenance | (all)                |
| • Animal control:               | facilities                 | (county)             |
| • Hazard inspection/mitigation: | piggyback                  | (all)                |
| • Elevator inspection/service:  | maintenance                | (all) US Communities |
| • Uniforms:                     | facilities                 | (all)                |
| • Abatement:                    | construction               | (all)                |
| • Equipment rental:             | facilities                 | (all) US Communities |
| • Telephone Systems             | IT                         | (all)                |

**Different Requirements/Regulations:**

- MBE requirements (State)
- Local Preferences regulations
- COMAR regulatory differences
- Funding source with programmatic requirements